

## Message Text

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ACTION TRSE-00

INFO OCT-01 EUR-08 EA-06 ISO-00 SAJ-01 AGR-05 AID-05

CIAE-00 EB-04 FRB-01 INR-05 NSAE-00 RSC-01 XMB-02

OPIC-06 SP-02 CIEP-01 LAB-01 SIL-01 OMB-01 NSC-05

SS-15 STR-01 CEA-01 L-01 H-01 DODE-00 PA-01 USIA-06

PRS-01 FEAE-00 INT-05 DRC-01 NEA-06 /095 W

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R 161517Z OCT 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4796

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS SECTION 01 OF 02 LONDON 13427

DEPARTMENT PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, UK

SUBJECT: U.K. TRADE AND CURRENT ACCOUNT IN SEPTEMBER

SUMMARY: IN SEPTEMBER, THE U.K. RECORDED A DEFICIT ON VISIBLE TRADE OF 378 MILLION POUNDS (S.A.). OF THIS AMOUNT, 301 MILLION POUNDS WAS DUE TO TRADE IN PETROLEUM AND 77 MILLION POUNDS IN NON-OIL TRADE. PROVISIONAL ESTIMATES SHOW EXPORTS OF 1,417 MILLION POUNDS (S.A., FOB) AND IMPORTS OF 1,795 MILLION POUNDS (S.A., FOB). THE BALANCE ON SERVICES AND OTHER CURRENT TRANSACTIONS (INVISIBLE TRADE) IS ESTIMATED TO HAVE BEEN RUNNING AT A MONTHLY SURPLUS OF 105 MILLION POUNDS, PRODUCING A CURRENT ACCOUNT DEFICIT OF UNCLASSIFIED

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273 MILLION POUNDS. END SUMMARY.

1. IN SEPTEMBER, THE U.K. HAD A VISIBLE TRADE DEFICIT OF 378 MILLION POUNDS (S.A., FOB, B/P BASIS), OF WHICH 301 MILLION POUNDS WAS ACCOUNTED FOR BY THE DEFICIT IN TRADE IN PETROLEUM AND PETROLEUM PRODUCTS AND 77 MILLION POUNDS IN OTHER GOODS. THIS COMPARES WITH A VISIBLE TRADE DEFICIT IN AUGUST OF 321 MILLION POUNDS (REVISED) WHICH WAS COMPOSED OF AN OIL-TRADE DEFICIT OF 264 MILLION POUNDS AND A NON-OIL TRADE DEFICIT OF 57 MILLION POUNDS (REVISED). THIS 57 MILLION POUND DETERIORATION OVER THE AUGUST DEFICIT THUS REFLECTS A WIDENING OF THE OIL-DEFICIT BY 37 MILLION POUNDS AND OF THE NON-OIL DEFICIT BY 20 MILLION POUNDS. IN THE THIRD QUARTER, THE VISIBLE TRADE DEFICIT AVERAGED 392 MILLION POUNDS A MONTH COMPARED WITH A MONTHLY AVERAGE OF 453 MILLION POUNDS IN SECOND QUARTER. BETWEEN SECOND QUARTER AND THIRD QUARTER, THE AVERAGE MONTHLY DEFICIT IN OIL TRADE SHOWED LITTLE CHANGE, 306 AND 303 MILLION POUNDS RESPECTIVELY, WHILE THE NON-OIL DEFICIT IMPROVED FROM A SECOND QUARTER AVERAGE MONTHLY DEFICIT OF 147 MILLION POUNDS TO 89 MILLION POUNDS DURING THIRD QUARTER. IN THE THREE MONTHS ENDED AUGUST (LATEST PERIOD FOR WHICH VOLUME DATA AVAILABLE), THERE WAS A FALL OF ABOUT ONE PERCENT IN THE VOLUME OF BOTH EXPORTS AND IMPORTS COMPARED WITH THE PREVIOUS THREE MONTHS ENDED MAY. WITH EXPORT PRICES RISING MORE RAPIDLY THAN IMPORT PRICES, THE TERMS OF TRADE (EXCLUDING FUELS) IMPROVED BY THREE PERCENT DURING THE PERIOD JUNE-AUGUST COMPARED WITH THE PERIOD MARCH-MAY.

2. THE VALUE OF U.K. EXPORTS IN SEPTEMBER WAS 1,417 MILLION POUNDS (S.A., FOB, B/P BASIS) COMPARED TO 1,378 MILLION POUNDS IN JULY. THUS, FOR THIRD QUARTER, EXPORTS AVERAGED ABOUT 7 PERCENT HIGHER PER MONTH THAN DURING SECOND QUARTER. EXPORTS OF MANUFACTURED GOODS ROSE BY 10 PERCENT BETWEEN SECOND AND THIRD QUARTERS WHILE SHIPMENTS OF NON-MANUFACTURES ROSE BY 2 PERCENT. THERE WERE SUBSTANTIAL THIRD QUARTER INCREASES IN EXPORTS OF PARTICULAR MANUFACTURE COMMODITY GROUPS: MACHINERY (UP 14 PERCENT),

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STR-01 CEA-01 L-01 H-01 DODE-00 PA-01 USIA-06 PRS-01

FEAE-00 INT-05 DRC-01 SAJ-01 NEA-06 /095 W

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R 161517Z OCT 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4797

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

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ROAD MOTOR VEHICLES (UP 10 PERCENT), OTHER TRANSPORT EQUIPMENT INCLUDING SHIP AND AIRCRAFT (UP 32 PERCENT). EXPORTS OF CHEMICALS AND METALS WERE BOTH HIGHER IN VALUE BY 12 PERCENT AND 10 PERCENT RESPECTIVELY WHILE EXPORTS OF TEXTILES FELL BY 5 PERCENT.

3. THE VALUE OF U.K. IMPORTS IN SEPTEMBER INCREASED BY 96 MILLION POUNDS TO 1,795 MILLION POUNDS (S.A., FOB, B/P BASIS) COMPARED TO AUGUST IMPORTS OF 1,699 MILLION POUNDS AND 1,805 MILLION POUNDS IN JULY. FOR THE THIRD QUARTER, IMPORTS AVERAGED ABOUT 2 PERCENT HIGHER PER MONTH (1,766 MILLION POUNDS PER MONTH) THAN IN THE SECOND QUARTER. THIRD QUARTER DATA SHOW THAT THE VALUE OF OIL IMPORTS FELL UNCLASSIFIED

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BY 2 PERCENT WHILE IMPORTS OF OTHER GOODS ROSE BY 3 PERCENT, COMPARED TO SECOND QUARTER.

4. DURING THE THIRD QUARTER, THE VALUE OF EXPORTS TO NORTH AMERICA INCREASED BY 7 PERCENT WHILE THE VALUE OF IMPORTS FROM NORTH AMERICA ROSE BY LESS THAN TWO PERCENT.

5. DATA ON INVISIBLES ARE PUBLISHED QUARTERLY BUT FOR SEPTEMBER, IS ESTIMATED TO HAVE BEEN IN SURPLUS BY 105 MILLION POUNDS WITH MONTHLY CREDITS AND DEBITS OF THE ORDER OF 800 MILLION POUNDS AND 700 MILLION POUNDS RESPECTIVELY. THE CURRENT ACCOUNT WAS THEREFORE IN DEFICIT BY 273 MILLION POUNDS (S.A.) COMPARED TO 216 MILLION POUNDS IN AUGUST AND 372 MILLION POUNDS IN JULY.

6. THE CUMULATIVE TOTALS FOR THE FIRST NINE MONTHS OF 1974 IN THE VISIBLE ACCOUNT COMPARED TO 1973 ARE:

	EXPORTS	IMPORTS	BALANCE
1973	8,428	9,779	-1,351
1974	11,346	15,180	-3,834

NOTE: FIGURES INCLUDE PROVISION DATA FOR SEPTEMBER 1974 AND LATEST REVISIONS FOR EARLIER DATA. ALL FIGURES ARE F.O.B., S.A., B/P BASIS IN MILLIONS OF POUNDS.

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, DATA, PETROLEUM, PETROLEUM PRODUCTS, EXPORTS, PRICES  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** U.K. TRADE AND CURRENT ACCOUNT IN SEPTEMBER SUMMARY: IN SEPTEMBER, THE U.K. RECORDED A DEFICIT ON VI-  
**TAGS:** EFIN, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005